

ECONOMIC DEVELOPMENT REVOLVING LOAN COMMITTEE

A meeting of the Economic Development Revolving Loan Committee was called to order on March 3, 2005 at 10:00 a.m. in the City Hall Council Chambers by Chairman Kropp. Other members present included Fekete, Lowery, and Prange. Also present were Kelly Kadinger, John Hintz, Richard Larrabee, and Joel Steinhauer. A motion was made by Fekete, seconded by Lowery to approve the minutes of the December 15, 2004 meeting. Motion carried.

Mr. Kadinger made a presentation on behalf of Red Cedar Plastics, Inc. regarding an application for a \$100,000 city loan which would be used to secure the building and assets of Schmidt Prototypes, Inc. The company would continue the prototype business and incorporate the injection molding process at the new location. Mr. Kadinger indicated that a bank commitment letter would be forthcoming and hoped to complete the acquisition in a timely manner. At this point Mr. Kadinger left the meeting.

A motion was made by Fekete, seconded by Lowery to recommend City Council approval of the \$100,000 loan to Red Cedar Plastics, Inc. to be amortized over ten years with a five-year balloon payment at 4.5% interest. The loan would require a local financial institution commitment, automatic checking account withdrawals, personal guarantees of all the principals and a second mortgage on the property at 1801 Indianhead Drive. Motion carried. The first repayment on the loan would be due 30 days after the release of the funds.

Mr. John Hintz, Richard Larrabee, and Joel Steinhauer made a presentation on behalf of Total Quality Components (TQC), Inc. seeking to secure a \$100,000 city loan for the start up of a business in the Trac distribution facility at 1409 Indianhead Drive. Mr. Hintz indicated that the company would be making wall panels for a major area distributor. The product would be used for the prefabrication / construction of new and multiple family homes and would ultimately generate 111 jobs. Initially TQC anticipated the creation of 33 jobs with an average wage of approximately \$16.14 per hour. Three of the principals have had prior experience in the building field and the TQC, Inc. operation will facilitate a new Trac, Inc. division creating jobs for approximately 20 drivers. At this point the applicants left the meeting.

A motion was made by Fekete, seconded by Lowery to recommend City Council approval of a \$100,000 loan to Total Quality Components, Inc. to be amortized over 10 years with a 5-year balloon and a 4.5% interest rate. Also required is a letter of commitment from a local financial institution, automatic checking account withdrawals, personal guarantees of the principals and a second mortgage on the property at 1409 Indianhead Drive. Motion carried. It is anticipated that the funds will be released on May 1, 2005 with the first payment on June 1, 2005.

The committee reviewed the financial statements through January 2005 with no

action being taken. The secretary presented information regarding an updated loan application and indicated he was looking at computer software programs to replace the current system.

An updated draft of the Main Street of Menomonie loan program was also presented which would commit \$200,000 of the revolving funds to that program. No official action was taken on any of these items.

A motion was made by Lowery, seconded by Fekete to adjourn. Motion carried.

Respectfully submitted,

Lowell R. Prange
Recording Secretary

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